

# CELLNET GROUP LIMITED

ACN 010 721 749

## Board Charter

In carrying out its responsibilities and powers, the board of directors (**Board**) will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of Cellnet Group Limited (**Company**), its employees, customers and the community.

### 1. ROLE AND PURPOSE

#### 1.1. Responsibilities

- 1.1.1. The Board is responsible for protecting the rights and interests of shareholders and is accountable to them for the overall management of the Company.
- 1.1.2. Key responsibilities of the Board include:
  - 1.1.2.1. setting the direction, financial objectives and goals for management;
  - 1.1.2.2. reviewing and approving strategies for the Company;
  - 1.1.2.3. monitoring senior management's performance against these goals and objectives;
  - 1.1.2.4. ensuring there are appropriate standards of Corporate Governance and ethical standards;
  - 1.1.2.5. evaluating the performance and determining the remuneration of the Chief Executive Officer and senior management;
  - 1.1.2.6. monitoring that appropriate risk management systems, internal control, reporting systems and compliance frameworks are in place and operating effectively; and
  - 1.1.2.7. monitoring plans and procedures for recruitment, training, remuneration and succession planning for senior management.
- 1.1.3. The Board delegates responsibility for the day to day management of the Company to the Chief Executive Officer who is responsible for implementing the Company's strategies and policies.
- 1.1.4. The Chief Executive Officer must, however, refer to the Board on matters that are sensitive, extraordinary or are strategic in nature.
- 1.1.5. The Board is also ultimately responsible for ensuring compliance by both directors of the Company (**Directors**) and officers of the Company with the Company's policies from time to time, including its:
  - 1.1.5.1. Code of Conduct;
  - 1.1.5.2. Continuous Disclosure Policy;
  - 1.1.5.3. Diversity Policy; and
  - 1.1.5.4. Share Trading Policy.

#### 1.2. Powers

In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board include:

- 1.2.1. appointment of Chairman of the Board (**Chairman**);
- 1.2.2. selection, appointment and removal of Chief Executive Officer, and the

- determination of terms and conditions of service (including remuneration);
- 1.2.3. membership and terms of reference of Board committees, and matters referred to the Board by its committees;
- 1.2.4. any matters in excess of limits delegated to the Chief Executive Officer and senior management;
- 1.2.5. approve each of the following:
  - 1.2.5.1. appointment and removal of members of the senior management team reporting to the Chief Executive Officer, and of the Company Secretary;
  - 1.2.5.2. strategic plan and budget, at least annually;
  - 1.2.5.3. significant changes to the organisational structure;
  - 1.2.5.4. the acquisition, establishment, disposal or cessation of any significant business of the Company;
  - 1.2.5.5. major capital projects and related expenditure;
  - 1.2.5.6. land and building leases;
  - 1.2.5.7. capital management including the issue of shares, options, equity instruments, or other securities in the Company;
  - 1.2.5.8. major financing facilities and the giving of security over group assets (including mortgages and charges over the Company's property);
  - 1.2.5.9. approval of half-year and year-end financial statements;
  - 1.2.5.10. any public statements which reflect decisions by the Board, significant issues of Company policy or strategy;
  - 1.2.5.11. policy manuals as determined by the Board;
  - 1.2.5.12. any changes to the powers delegated by the Board;
  - 1.2.5.13. employee share and option plans, and short term and long term incentive plans;
  - 1.2.5.14. appointment of external auditors and their respective annual fees;
  - 1.2.5.15. major litigation; and
  - 1.2.5.16. any changes to the powers specifically reserved for the Board.

Subject to law and the Board's responsibility for oversight of the above, the Board may delegate to its committees, a Director or any other person, authority to perform any of its functions and exercise any of its powers.

## **2. STRUCTURE**

### *2.1. Composition*

- 2.1.1. The Directors should be from different commercial backgrounds with complementary skills and experience.
- 2.1.2. As applicable, the terms of the Company's constitution governs the regulation of meetings and proceedings of the Board.
- 2.1.3. The Chairman is a non-executive director appointed by the other Directors. The Chairman's role includes:
  - 2.1.3.1. providing effective leadership in relation to all aspects of the business of the Board;
  - 2.1.3.2. communicating regularly with the Chief Executive Officer and the

- Company Secretary to ensure that the Board is properly and fully informed on all matters relevant to the operations of the Company;
- 2.1.3.3. providing an appropriate level of communication between management and the Board;
  - 2.1.3.4. reviewing the contribution by the members to the Board; and
  - 2.1.3.5. representing the Company to the public generally and to all stakeholders.
- 2.1.4. The same individual must not exercise the roles of Chairman and Chief Executive Officer.

## 2.2. Independence

- 2.2.1. A Director is considered to be independent when not a member of management (**Non-Executive Director**) and:
- 2.2.1.1. not a substantial shareholder of the Company or a Director or other officer of, or otherwise associated directly with, a substantial shareholder of the Company;
  - 2.2.1.2. within the last three years has not been employed in an executive capacity by the Company or been a Director of the Company after ceasing to hold such employment;
  - 2.2.1.3. within the last two years has not been a principal of a material professional adviser or material consultant to the Company or a Director, officer, employee or consultant materially associated with the service provided by a material professional adviser or material consultant to the Company;
  - 2.2.1.4. not a material supplier to the Company or a Director, officer, employee or consultant of a material supplier materially associated with the material supplier in relation to its dealings with the Company;
  - 2.2.1.5. not a material customer of the Company or a Director, officer, employee or consultant of a material customer materially associated with the material customer in relation to its dealings with the Company;
  - 2.2.1.6. has no material contractual relationship with the Company other than as a Director of the Company;
  - 2.2.1.7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
  - 2.2.1.8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.
- 2.2.2. All Directors must bring an independent judgement to bear in decision-making and to facilitate this, the Board must adopt a policy that permits each Director to take independent professional advice if necessary, at the Company's expense.
- 2.2.3. The Board must have processes in place to regularly assess the independence of each Director in light of interests disclosed by them.

## 2.3. Meetings

- 2.3.1. The Board must meet at least eight times per year and may, at the discretion of the Chairman, meet more frequently in order to fulfil its duties. The Non-

Executive Directors may also, as required, meet regularly without other Directors and management being present. The agenda for Board meetings must be prepared by the Company Secretary in conjunction with the Chairman and the Chief Executive Officer. Standing items include:

2.3.1.1. disclosure of Directors' interests; and

2.3.1.2. reports from the Board committees.

2.3.2. Board papers must, where possible, be provided at least one week prior to the relevant meeting.

#### *2.4. Board committees*

2.4.1. The Board may from time to time establish committees to assist in the execution of its responsibilities, and each committee, with the approval of the Board, must adopt written charters setting out the roles and responsibilities, composition, structure, membership requirements and the manner in which they are to operate.

2.4.2. Subject to any delegation by the Board to a committee all matters determined by committees are to be submitted to the Board as recommendations for Board decision, and minutes of committee meetings are to be tabled at the immediately subsequent Board meeting.

2.4.3. The Board has established the following committees:

2.4.3.1. Audit Committee;

2.4.3.2. Risk Committee;

2.4.3.3. Remuneration Committee; and

2.4.3.4. Strategy Committee.

#### *2.5. Performance evaluation*

2.5.1. The Board must undertake regular performance of itself that:

2.5.1.1. evaluates the effectiveness of the Board as a whole, and that of individual Directors;

2.5.1.2. compares the performance of the Board with the requirements of this charter;

2.5.1.3. sets forth the goals and objectives of the Board for the upcoming year; and

2.5.1.4. effects any improvements to the Board charter deemed necessary or desirable.

2.5.2. The performance evaluation must be conducted in such manner as the Board deems appropriate.